



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

IRVING COPPELL SURGICAL HOSPITAL
400 W INTERSTATE HWY 635
IRVING TX 75063-3707

Respondent Name

ZURICH AMERICAN INSURANCE COMPANY

Carrier's Austin Representative Box

Box Number 19

MFDR Tracking Number

M4-09-5972-01

MFDR Date Received

February 6, 2009

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "requestor remains in the position that payment was not made according to Texas Department of Workers Compensation guidelines. We uphold our request for additional reimbursement . . ."

Amount in Dispute: \$1,649.73

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Carrier asserts that it paid according to applicable fee guidelines. All reductions of disputed charges were appropriately made."

Response Submitted by: Flahive, Ogden & Latson, 504 Lavaca, Suite 1000, Austin, Texas 78701

SUMMARY OF FINDINGS

Date(s) of Service	Disputed Services	Amount In Dispute	Amount Due
April 25, 2008	Outpatient Hospital Services	\$1,649.73	\$1,618.78

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, sets out the reimbursement guidelines for facility services provided in an outpatient acute care hospital.
3. 28 Texas Administrative Code §134.203, titled *Medical Fee Guideline for Professional Services*, sets out the reimbursement guidelines for professional medical services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - 329 – ALLOWANCE FOR THIS SERVICE REPRESENTS 50% BECAUSE OF MULTIPLE OR BILATERAL RULES.
 - 370 – THIS HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED ACCORDING TO THE APC RATE, PLUS A MARKUP.

- 494 – HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED TO MEDICARE'S METHODOLOGY PLUS A MARKUP PER THE TEXAS OMFS.
- 59 – CHARGES ARE ADJUSTED BASED ON MULTIPLE SURGERY RULES OR CONCURRENT ANESTHESIA RULES.
- 618 – THE VALUE OF THIS PROCEDURE IS IN THE VALUE OF ANOTHER PROCEDURE PERFORMED ON THIS DATE.
- 619 – THE PROCEDURE/SUPPLY WAS NOT SUFFICIENTLY IDENTIFIED AND/OR QUANTIFIED.
- W1 – WORKERS COMPENSATION STATE FEE SCHEDULE ADJUSTMENT.
- 226 – INCLUDED IN GLOBAL CHARGE
- 770 – COMPLEX BILL REVIEW
- 97 – PAYMENT IS INCLUDED IN THE ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE.

Issues

1. Are the disputed services subject to a contractual agreement between the parties to this dispute?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. What is the recommended payment amount for the services in dispute?
4. Is the requestor entitled to reimbursement?

Findings

1. Review of the submitted documentation finds no information to support that the disputed services are subject to a contractual agreement between the parties to this dispute.
2. This dispute relates to facility services performed in an outpatient hospital setting with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule. Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.
3. Under the Medicare Outpatient Prospective Payment System (OPPS), each billed service is assigned an Ambulatory Payment Classification (APC) based on the procedure code used, the supporting documentation and the other services that appear on the bill. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Payment for ancillary and supportive items and services, including services that are billed without procedure codes, is packaged into payment for the primary service. A full list of APCs is published quarterly in the OPPS final rules which are publicly available through the Centers for Medicare and Medicaid Services (CMS) website. Reimbursement for the disputed services is calculated as follows:
 - Procedure code 26135 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. These services are classified under APC 54, which, per OPPS Addendum A, has a payment rate of \$1,675.82. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,005.49. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$983.97. The non-labor related portion is 40% of the APC rate or \$670.33. The sum of the labor and non-labor related amounts is \$1,654.30. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$1,654.30. This amount multiplied by 200% yields a MAR of \$3,308.60.
 - Procedure code 26445 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 53, which, per OPPS Addendum A, has a payment rate of \$1,048.64. This amount multiplied by 60% yields an unadjusted labor-related amount of \$629.18. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$615.72. The non-labor related portion is 40% of the APC rate or \$419.46. The sum of the labor and non-labor related amounts is \$1,035.18. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line, including multiple-procedure discount, is \$517.59. This amount multiplied by 200% yields a MAR of \$1,035.18.

- Procedure code 26445 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 53, which, per OPPI Addendum A, has a payment rate of \$1,048.64. This amount multiplied by 60% yields an unadjusted labor-related amount of \$629.18. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$615.72. The non-labor related portion is 40% of the APC rate or \$419.46. The sum of the labor and non-labor related amounts is \$1,035.18. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line, including multiple-procedure discount, is \$517.59. This amount multiplied by 200% yields a MAR of \$1,035.18.
- Procedure code 64782 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 220, which, per OPPI Addendum A, has a payment rate of \$1,149.79. This amount multiplied by 60% yields an unadjusted labor-related amount of \$689.87. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$675.11. The non-labor related portion is 40% of the APC rate or \$459.92. The sum of the labor and non-labor related amounts is \$1,135.03. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line, including multiple-procedure discount, is \$567.52. This amount multiplied by 200% yields a MAR of \$1,135.04.
- Procedure code 11420 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 20, which, per OPPI Addendum A, has a payment rate of \$553.18. This amount multiplied by 60% yields an unadjusted labor-related amount of \$331.91. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$324.81. The non-labor related portion is 40% of the APC rate or \$221.27. The sum of the labor and non-labor related amounts is \$546.08. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line, including multiple-procedure discount, is \$273.04. This amount multiplied by 200% yields a MAR of \$546.08.
- Procedure code 36415 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPI. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPI, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$3.00. 125% of this amount is \$3.75
- Procedure code 84295 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPI. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPI, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$6.72. 125% of this amount is \$8.40
- Procedure code 84132 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPI. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPI, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$6.42. 125% of this amount is \$8.03
- Procedure code 82435 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPI. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPI, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$6.42. 125% of this amount is \$8.03

- Procedure code 84525 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$5.25. 125% of this amount is \$6.56
 - Procedure code 82962 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$3.27. 125% of this amount is \$4.09
 - Procedure code 85014 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$3.31. 125% of this amount is \$4.14
 - Procedure code 85018 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$3.31. 125% of this amount is \$4.14
 - Procedure code 81002 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$3.57. 125% of this amount is \$4.46
 - Procedure code 73130 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. These services are classified under APC 260, which, per OPPS Addendum A, has a payment rate of \$44.29. This amount multiplied by 60% yields an unadjusted labor-related amount of \$26.57. This amount multiplied by the annual wage index for this facility of 0.9786 yields an adjusted labor-related amount of \$26.00. The non-labor related portion is 40% of the APC rate or \$17.72. The sum of the labor and non-labor related amounts is \$43.72. The cost of these services does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$43.72. This amount multiplied by 200% yields a MAR of \$87.44.
4. The total allowable reimbursement for the services in dispute is \$7,199.12. This amount less the amount previously paid by the insurance carrier of \$5,580.34 leaves an amount due to the requestor of \$1,618.78. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$1,618.78.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$1,618.78, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

Signature

Grayson Richardson
Medical Fee Dispute Resolution Officer

November 1, 2013
Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.